From: Cunningham, Bill - Davis, CA
Sent: Thursday, July 01, 2004 4:54 PM
To: Patterson, Elizabeth
Cc: Dabbs, Paul; Sumi, David; Kiger, Luana - Davis, CA; Sykes, Walt - Davis, CA
Subject: CA Water Plan Vol. 2 Ag. Lands Stewardship Wording change request

Elizabeth,
We are requesting that you delete the paragraph on "Funding" Page 6 of the Agricultural Lands Stewardship paper in the California Water Plan-Volume 2 (See Attachment). It is not accurate. Walt Sykes researched our literature and found that our conservation programs are not necessarily tilted in favor of price-supported crops. Funding for each state is based on about 30 factors. Price supported crops is not one of them, but acres of specialty crops is.

Also, we would like you to remove any references to USDA as a source to any foot notes or tables such as the one found in Volume 1 "Findings and Recommended Action", Page 12 under(cc,(dd) Agricultural lands Stewardship (See Attachment) and Volume 2 "Resource Management Strategies" page 7 (Remove the USDA reference that is the same as the one in Volume 1). Also, please remove similar references that may be found in any of the other volumes.

Bill Cunningham, Biologist
USDA, Natural Resources Conservation Service
430 G Street Davis, CA 95616

From Bill Cunningham, NRCS
Received 7/01/04

VOLUME 2 AGRICULTURAL LANDS STEWARDSHIP

(From The California Water Plan Volume 2 - Agricultural Lands Stewardship paper, page 6)

Some landowners question how they can adequately maintain their privacy and, at the same time, satisfy the public need for transparency of farm activities supported by public resources and certainty, when they participate in voluntary programs designed to meet regulatory goals and standards. In addition, there is landowner confusion regarding what type of "assurances" can be provided. A common landowner perspective is that the economic return from certain land stewardship programs may often be less than the return from other options for land use, especially when urban development is an option.

Lack of Information

There is a lack of scientific economic, social and environmental studies and monitoring of agricultural lands stewardship programs to evaluate their merits for ecosystem restoration, water quality, and agricultural economics for large and small agricultural operations. There are conflicting reports about the compatibility of certain agricultural lands stewardship and ecosystem restoration programs, in part because the management to assure compatibility must be tailored to local circumstances and then monitored and assessed. In order to justify public investment in stewardship, there must be accountability in terms of monitoring.

Complex Regulations and Programs

Institutional regulations and programs are a complex maze and sometimes in conflict. Agricultural landowners may be discouraged when developing a stewardship program that is crosscutting and encompassing water and soil conservation with ecosystems restoration, floodplain and wetlands management, water quality and land use planning. The regulations may seem intrusive to the private landowner but essential for those responsible for environmental protection and restoration programs.

Funding

~~California has traditionally received proportionally less funding for USDA Farm Bill's conservation provisions overall relative to its agricultural standing, the value of the threatened resources and the population served. California is dominated by specialty crops rather than traditional price-supported "Program" that receive most conservation programs money in other states. The funding inequities of the Farm Bill will become increasingly apparent in the future as production of California cotton, alfalfa, irrigated pasture, and possibly rice decreases and as specialty crops increase~~.

Regional cooperation

Without regional cooperation on regional issues, private landowners may be frustrated in their management goals by adjacent operations or watershed activities that do not contribute to better management for environmental functions and values. These values include protecting and reestablishing riparian corridors or water quality within a watershed.

Reports on Land Retirement Do Not Agree

Existing reports on land retirement do not agree about the extent, if any, of the loss of agricultural productivity, loss of revenue to the local communities, loss of a way of life, and regional and

statewide socio-economic effects. There may be additional maintenance costs to mitigate, or to avoid, environmental impacts. Specific soil stabilization and crop management may be required if the lands continue to be farmed without irrigation. Stopping irrigation may have effects on neighboring agricultural lands, including introduction of new wildlife species, weeds, pests, illegal dumping of refuse, complication of water and water rights issues, and alteration of physical resources such as soils, groundwater, surface waters. Stopping irrigation may result in water applications for urban use out of the area.

From Bill Cunningham, NRCS
Received 7/01/04

VOLUME 1 STRATEGY INVESTMENT OPTIONS TABLE

(From Volume 1 "Findings and Recommended Actions" , Page 12)
.**(v) Surface Storage – Regional/Local** – No statewide cost estimates available.
.**(w) Drinking Water Treatment & Distribution** – Cost estimate based on a formal needs survey by the U.S. Environmental Protection Agency.

(x), (y) Groundwater/Aquifer Remediation – Supply augmentation by 2030 could be as high as 1 MAF per year if aquifers not presently being used are tapped. [1] Estimated investment by 2030 would be $20 billion.

[1] Groundwater that is presently being treated may continue to require treatment before use in 2030, and other current sources of groundwater may require treatment in the future. These sources are already a part of the supply, so there may be no net "supply augmentation." Nevertheless, remediation is required to maintain existing supplies.

(z) Matching Water Quality to Use – Cost estimate based on CALFED estimates.

(aa) Pollution Prevention – Cost estimate based on a formal needs survey by the U.S. Environmental Protection Agency.

(bb) Urban Runoff Management – Cost estimates are included under Pollution Prevention. See note (o) above.

(cc), (dd) Agricultural Lands Stewardship – Redistribute water. Potential supply benefits from temporary land fallowing or permanent land retirement.
~~Cost estimate = $5.3 billion, determined as follows:~~
~~Total cost is the sum of three components: (A) financial assistance, (B) technical assistance and (C) land acquisition.~~

~~A: USDA estimate of unmet need for its conservation cost-share programs = ($80 million/yr) X (25 yr until 2030) = $2 billion;~~
~~B: USDA estimate of unmet need for field staff = (800 persons) X ($90,000/yr/person) X (25 yr until 2030) = $1.8 billion~~
~~C: conservation easements on about 9% of 11.4 million total acres of farmland = (1 million acres) X $1500/acre = $1.5 billion A + B + C = $2 billion + $1.8 billion + $1.5 billion = $5.3 billion.~~

(ee), (ff) Economic Incentives (Loans, Grants, and Water Pricing) – Supply benefits obtained indirectly by providing incentives for changes to water management behavior by agencies and individuals. Program administration cost is the only direct cost.

(gg) Ecosystem Restoration – Cost estimate = $7.5 –11.25 billion, as follows:
($150 million/year for CALFED activities) X (25 years until 2030) = $3.75 billion for CALFED area.
($3.75 billion) X (an expansion factor of 2 or 3 to cover areas outside CALFED) = $7.5 –11.25 billion

(hh) Floodplain Management – Cost estimate = $475 million, as follows: